

**BILL #** HB 2646

**TITLE:** community accountability pilot program

**SPONSOR:** Konopnicki

**STATUS:** As Amended by House Appropriations and  
House Public Institutions and Counties

**REQUESTED BY:** House

**PREPARED BY:** Tony Vidale

## **FISCAL ANALYSIS**

### **Description**

HB 2646 would authorize the Arizona Department of Corrections (ADC) to contract with a private or non-profit entity for placement of certain probation or parole violators in a community accountability program. The department may also charge participants a supervision fee after 60 days.

### **Estimated Impact**

The JLBC Staff estimates a General Fund savings up to \$(1.2) million in FY 2005 and \$(2.5) million in FY 2006 by placing probation and parole violators in a community program rather than an ADC facility. The savings are based on the higher marginal cost for inmates housed in ADC prison complexes. By reducing the growth in the ADC population, the bill would also result in deferring future operating costs of additional beds ranging between \$(8.5) million and \$(21.8) million, for a period of approximately 6 to 12 months. The magnitude of deferred operating costs would depend on whether the foregone beds are private beds or state beds and the length of the deferral. In the event new state beds are deferred, cost avoidance would also include capital costs for construction.

ADC did not provide a cost estimate for the bill.

### **Analysis**

The bill would authorize ADC to contract for a community accountability pilot program for eligible inmates who have violated the terms and conditions of their community supervision. ADC estimates that approximately 45% of the admissions to prison are inmates who are “technical” violators of parole or probation and return to prison for an average of 13.8 months. Instead of returning to prison, these inmates would be diverted to a program operated by a private or non-profit entity that offers treatment services set forth in the bill. Based on ADC estimates, about 2,500 inmates would be eligible to be placed into the community accountability pilot program; however, the bill caps program participation at 1,000 inmates in the 1<sup>st</sup> year and 2,000 inmates in the 2<sup>nd</sup> year. Based on similar programs in other states, program length is estimated to be approximately 180 days, with an average cost of \$25 per day. The bill also authorizes the department to charge a supervision fee to inmates that are in the program for 60 days or more, and deposit the fees into a non-appropriated Community Accountability Fund, with the proceeds used to cover the costs of the program.

The JLBC Staff estimates a savings up to \$(1.2) million in FY 2005 and \$(2.5) million in FY 2006 based on the marginal cost of housing and providing treatment to 1,000 inmates the 1<sup>st</sup> year of the program and 2,000 inmates the 2<sup>nd</sup> year. According to the most recent estimates provided by ADC, the marginal cost for food, clothing, and medical care at a state prison complex is \$3,531 per inmate each year. In addition, JLBC Staff estimates a cost of \$684 per inmate to provide treatment services for a comparable length of time as the pilot program. This figure assumes treatment costs of \$3.80 per day (based on current ADC expenditures) and a program length of 180 days. Based on these figures, it would cost ADC \$4.2 million in FY 2005 and \$8.4 million in FY 2006 to house and provide treatment services to incarcerated inmates.

The JLBC Staff estimates a total cost of \$3.0 million in FY 2005 and \$5.9 million in FY 2006 to place the same number of inmates into the community accountability program. This estimate assumes supervision and treatment costs of \$25 per day (based on the average cost of similar programs in other states) and that ADC will cover costs for the first 60 days, with the inmate paying a fee for the remaining 120 days, as allowed under the provisions of the bill. In addition, our estimate assumes 560 inmates the 1<sup>st</sup> year and 1,120 inmates the 2<sup>nd</sup> year will successfully complete the program and not return to prison in FY 2005 or FY 2006 (success rate of 56%). Of these successful program participants, we assume an inmate collection rate of

77% for supervision fees. The success rate and fee collection rate are based on the experience for county probationer drug treatment programs. Our estimate also assumes that inmates who fail to successfully complete the program participated for at least 30 days, based on the experience of similar programs in other states.

Estimated savings from deferring future operating expenditures for approximately 6 to 12 months could range between \$(8.5) million and \$(21.8) million. The level of savings would depend on whether the department contracts for private beds or houses inmates in state beds. Based on ADC's latest per capita report, the annual cost to contract for a private bed is \$15,214 and the annual cost to house inmates in a state bed is \$19,505. The low end of the range represents diverting 560 inmates (success rate in 1<sup>st</sup> year) from the prison system at the private bed cost and the high end of the range represents diverting 1,120 inmates (success rate in 2<sup>nd</sup> year) at the state bed cost. The 6 to 12 month deferral is based on the assumption that inmate growth is projected to be about 115 inmates per month (1,380 per year). The program success rate of 560 inmates the 1<sup>st</sup> year and 1,120 inmates the 2<sup>nd</sup> year will allow the delay of approximately a half-year to full-year's inmate growth rate. If the department were to add new state beds, capital costs for constructing the beds would also be deferred. Capital costs would depend on the security level and number of beds being constructed.

#### **Local Government Impact**

None.

3/15/04